

# OUR APPROACH TO ESG

Our environmental, social and governance (ESG) initiatives are built upon our DNA, the unique code of who we are and what binds us as one adopted family. Our DNA is made up of our most deeply held purpose, beliefs, values and behaviors. It's all things inspiring, amazing, and fun – our building blocks to long-term health and growth.

## environmental

Five Below is committed to exploring ways to reduce the amount of carbon we emit and energy we use. This includes discovering new ways of packaging, offering additional responsible products, as well as operating in our stores, Ship Centers and offices.



### responsible products and recycling

- Textiles produced from recyclable and recycled materials, and various Fair Trade-certified products.
- In 2021 we expect to sell ~4M low-cost reusable bags in stores.



### reduced packaging

- In 2020, reduced the amount of cardboard used by ~5,500 tons or ~90,000 trees saved.
- As a result, we shipped over 400 fewer containers, reducing energy consumption.



### reduced paper

- In 2020, eliminated print circulars, resulting in nearly 6M fewer lbs. of paper or ~1,500 trees saved.



### energy efficiency

- We monitor consumption across our stores and Ship Centers.
- In 2016, we began retrofitting our stores with LED lights, now in almost all our stores.

## social

People are at the core of Five Below, from our customers and our communities to our crew and our vendor partners. We work hard to keep everyone safe, earn their trust, and wow them with amazing experiences, products and value.



### health & safety

- In response to the pandemic, we temporarily closed our stores and quickly adopted new protocols to keep our customers and crew healthy and safe.



### data privacy & security

- We protect the data of our customers and crew with a robust privacy policy and controls using high standards to mitigate risks.
- Our crew is trained annually on data privacy management.



### vendor requirements

- We strive to be an example of good human rights and labor practices throughout our business activities.
- We take care in the selection of our vendors and require them to meet the standards set forth in our vendor guide.



### community giving

- Since 2006, we raised over \$25M for charities dedicated to kids and their families.

## governance

Five Below's board believes we must continually nurture our purpose and values to ensure our long-term success. As our governance and ESG initiatives emanate from these purpose and values, our board and its committees are proactive in oversight.



### representation

- 10 highly experienced directors with broad skills and qualifications.
- 30% of our directors are female (●) and 20% represent ethnic minorities (≡).
- Of our independent directors, 37.5% are female and 25% represent ethnic minorities.
- Our 3 standing board committees are made up entirely of independent members.



### oversight

- Our Board works closely with management and oversees all key strategic, operational, financial and governance matters.
- In 2021, we:
- added social and environmental oversight to the Nominating and Corporate Governance Committee (NCGC) charter.
  - amended our Audit Committee charter to codify its oversight of cybersecurity and IT risks.
  - formed a management-led sustainability committee, reporting into the NCGC.